

COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES



BRIAN C. McNEIL
Executive Director

ARIZONA CORPORATION COMMISSION

June 12, 2006

Commissioner Marc Spitzer
Commissioner William A. Mundell
Commissioner Mike Gleason
Commissioner Kristin K. Mayes
Parties to the Docket

Re: Generic Evaluation on the Use of Non-Traditional Financing Arrangements by Water Utilities and Their Affiliates (Docket No. W-00000C-06-0149)

Dear Colleagues and Parties to the Dockets:

I have read Commissioner Mundell's letter dated June 7, 2006 regarding Global Water Resources' (GWR) approach in forming partnerships with municipalities and developers for regional water resource planning. I agree that we should invite GWR to make a presentation on these topics. In addition, I would also like to hear the perspectives of the municipalities and developers who have signed agreements with GWR.

Having well-capitalized private water/wastewater utilities, with experienced and knowledgeable operational and managerial staff, is a vital component in enabling the state to keep up with its growing infrastructure needs. In the process, however, these regulated utilities must adhere to applicable state law, Commission administrative rules and company-specific Commission decisions.

My goal, like yours, is to ensure that private water/wastewater companies are financially healthy so that their customers receive safe and adequate water at a reasonable cost. This docket will be constructive in further understanding GWR's agreements and integrated water resource model.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. Hatch-Miller", is written over a large, stylized loop.

Jeff Hatch-Miller
Chairman

Cc: Brian McNeil
Ernest Johnson
Chris Kempley